



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1442

DATE: October 24, 2014

TO: Iowa Medicaid Hospice Agencies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

SUBJECT: Annual Update of Hospice Rates

EFFECTIVE: October 1, 2014

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four categories of care:

Medicaid Hospice Rates Effective October 1, 2014 – September 30, 2015				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Unweighted Amount
651	Routine Home Care	\$156.42	\$107.48	\$48.94
652	Continuous Home Care	\$912.05 (full rate = 24 hours of care/\$38.00 hourly rate)	\$626.67	\$285.38
655	Inpatient Respite Care	\$170.08	\$92.07	\$78.01
656	General Inpatient Care	\$694.88	\$444.79	\$250.09

The daily rate is broken out into two components. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels. The link to the hospice rates shown on the [Fee Schedules](https://dhs.iowa.gov/ime/providers/csrp/fee-schedule)¹ webpage are adjusted by an appropriate wage index that reflects the geographical differences in wage levels within the state and in bordering areas. The unweighted amount is the portion of the base rate that is not adjusted by the wage index.

¹ <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

Wage Indexes

Annual updates to the hospice wage indices were published in the Federal Register (FR) (Volume 79, Number 156) on August 22, 2014. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management and Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2015, the full CBSA-based wage index values have been used.

Room & Board Payments

The room and board payment for hospice residents residing in nursing facilities is 95 percent of the associated nursing facility's base rate.

Hospice Quality Data

Hospice providers are required to comply with section 3004 of the Affordable Care Act (ACA) and the implementing regulation 78 FR 48234 (August 7, 2013). This section requires that hospice providers comply with the quality data submission requirements. CMS has published tables indicating payments at different levels for providers that have and have not complied with the quality data submission requirements. Iowa does not recognize this reporting requirement as a condition for reimbursement and, as such, is implementing the table for those who have not submitted the required quality data.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909 or locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.